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April 19, 2004

Honorable Thomas M. Dorman, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

Case 2004-00142

Subject: **KPSC Case No. ~~2003-00192~~ Final Hedging Report and Proposal to
Conduct a Hedging Program for the Winter of 2004-2005**

Dear Mr. Dorman:

Enclosed herein are one original and ten copies of Atmos Energy's final hedging report for financial hedges purchased for the winter of 2003-04, as required by the Commission's Order dated July 22, 2003 in the above-referenced proceeding.

Please note that the Company has filed certain exhibits in the report under a petition for confidentiality.

Also, please note that the Company is proposing a hedging plan for the winter 2004-05 in conjunction with the submittal of this report. The Company's proposed hedging plan for the upcoming winter is consistent with the plan approved by the Commission for this past winter period.

Please contact me at your earliest convenience (270-685-8024) should the Commission or Staff have any questions regarding the enclosed report.

Sincerely,

Gary L. Smith
Vice President, Marketing & Regulatory Affairs – Kentucky Division

Enclosures

Cc: Hon. Elizabeth E. Blackford
Hon. David Spenard

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION **RECEIVED**

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PUBLIC SERVICE
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IN THE MATTER OF:

The Final Report of Atmos Energy Corporation on Its)
Hedging Program for the 2003-2004 Heating Season) Case No.
And Motion to Conduct a Hedging Program for the 2004-) ~~2003-00192~~
2005 Heating Season) 2004-00142

MOTION TO ACCEPT FINAL REPORT OF HEDGING PROGRAM
AND TO CONDUCT HEDGING PROGRAM FOR THE
WINTER OF 2004-2005

Comes now, Atmos Energy Corporation ("Atmos Energy") and pursuant to Commission's Order of July 22, 2003, files herewith its final hedging report identifying, inter alia, gas cost savings or costs realized under Atmos Energy's hedging program. Atmos Energy respectfully moves the Commission to accept the attached final hedging report.

Atmos Energy's hedging program has proven successful in stabilizing gas costs. Atmos Energy believes it is in the best interest of its' ratepayers and shareholders for the hedging program to be continued. Atmos Energy accordingly moves the Commission for entry of an order extending its hedging program, with various modifications as shown under the heading "Hedging Proposal for Winter 2004-2005" in the attached report.

Respectfully submitted this 19 day of April, 2004.

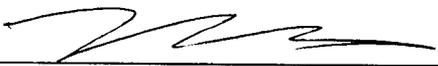

Mark R. Hutchinson
2207 Frederica Street
Owensboro, Kentucky 42303
(270) 926-5011

Douglas Walther
Atmos Energy Corporation
P.O. Box 650250
Dallas, Texas 75265
Attorneys for Atmos Energy

CERTIFICATE OF SERVICE

I hereby certify that on the 19 day of April, 2004, the original Motion together with ten (10) copies, were filed with the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and a true copy thereof mailed by first class mail to the following named persons:

Hon. Elizabeth E. Blackford
Hon. David Spenard
Assistant Attorney Generals
Office of Rate Intervention
1024 Capitol Center Drive
Frankfort, Kentucky 40601


Mark R. Hutchinson